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the United States.

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Henry G. Stebbins

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LOYAL PUBLICATION SOCIETY,  
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No. 45.

Finances & Resources of the United States.

SPEECH  
OF THE  
HON. HENRY G. STEBBINS,

*In the House of Representatives, March 3, 1864.*



NEW YORK, APRIL, 1864.

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*Sep 22, 1950*

# In the House of Representatives of the United States,

MARCH 8d, 1864.

The House having under consideration the Joint Resolution, (H. R., No. 37,) authorizing the Secretary of the Treasury to sell any surplus gold in the Treasury,

Mr. STEBBINS, of New York, said :

MR. SPEAKER, when the proposition was introduced into this House to authorize the Secretary of the Treasury to sell the surplus gold which had accumulated and which was accumulating in the Treasury of the United States beyond the amount demanded by the wants of the Treasury and the requirements of the law, I took the occasion to declare that I could not regard the question from any other point of view than its bearing upon the great interests of the Government and of the people. I felt constrained to forget my hostility to a paper-money system, and was only willing to remember the circumstances supposed to have compelled its introduction during the period of the war. Great wars having always been carried on under such a system, this country could not hope to be an exception to the rule. I do not, therefore, now propose to discuss the system itself, nor attempt to point out its imperfections. I desire to see nothing but the cardinal facts that we are in the midst of a civil war; that men and money are necessary for its prosecution; that the national life must be preserved, the honor of our arms sustained, and the integrity of the laws of the United States vindicated. A financial system, the offspring of this great necessity, has grown up. It has been in operation for the past three years. It is inter-

woven in every part of our industrial system. We cannot abolish it if we would; we ought not to do so if we could. We must wait for peace to prevail before we undertake to pull down the structure and build up another. To undermine and destroy it now, is to bury the nation under its ruins.

The introduction of the pending legitimate and necessary resolution, gave rise to a very remarkable debate. The resolution was opposed, because it conferred fresh and enlarged powers on the Secretary of the Treasury. The injurious effects of the rapid accumulation of gold in the Treasury, as shown in its advance and price, and the consequent advance in the prices of all the necessaries of life, were not denied; but these evils were not considered so important as the consequences which might flow from increasing the Secretary's powers. The Government was actually the unwilling instrument of the speculators on the sea-board, and was in the position of the capitalist who is lending money upon gold to advance its value; was hoarding gold beyond its requirements, making it daily more and more scarce in the market, was itself depreciating the currency, and feeding speculation; and yet this House was disposed to consider the passage of a bill directing the sale of the surplus on hand as the greater evil of the two. I did not so regard the subject. I felt that the national credit was endangered by this action on the gold market, and I was in favor of instructing the Secretary to sell, at his discretion, all the surplus he had, or was likely to have, over and above the requirements of his Department. I desired him to be so instructed, for the purpose of regulating his powers in the direction of his country's necessities. To me, his powers lay in the fact, that he could hold the gold or keep it out of the market. To direct the sale of any surplus beyond the wants of the Treasury, was to limit and restrict his powers.

I desired to protect the people against further expansion, to restrain the madness of speculation that was holding the nation by the throat, and to which the Government at the moment was an unwilling party; and, sir, I have not changed my opinion. Reflection has confirmed my previous judgment. But I pass from the further consideration of this part of the subject.

Each day has added to the testimony, that if the importations do not suddenly diminish, the price of gold will advance to

much higher points; speculation receive a new impulse; prices of the necessaries of life rise in a corresponding degree; and the responsibility of the whole matter rest upon Congress for declining to disembaras or relieve the Government from a position that no one in his senses ever supposed it would occupy.

The question, to my mind, is one of great national importance, second to none now influencing our action. It ought not to be regarded from any narrow stand-point, of any political party. It shall not be, as far as I am concerned; but purely and entirely with reference to its practical bearing upon the interests of the whole people of the United States.

Sir, in the discussion that followed the introduction of this bill, statements were made, and deductions drawn from those statements, which have passed into wide circulation. I think them calculated to swell the current of improvident speculation, weaken still more the public confidence, depreciate still more the public credit, advance still higher the price of the precious metals, increase to a still greater degree the necessities of the Government, and, just in the same proportion, add to the burdens of a people already staggering and reeling beneath the weight of great anxieties and expenses. Dark predictions were uttered of speedy national bankruptcy, and solemn warnings of national repudiation. These declarations were supported by references to the figures of our public debt. The currency was declared to be \$1,000,000,000! In my judgment, such predictions and statements cannot be made, in this House or anywhere else, without damage to the public credit and to private interests. Nor can they be without their effect upon the thousands of soldiers in the field, far away from their homes, in an enemy's country. They look to Congress to build up the national credit, to strengthen it if it is really endangered, to fortify it where it needs a breastwork, that they may feel secure of ample supplies of men and money until the war is successfully and honorably terminated. Sir, with all my objections to the financial system of the country, I feel it to be my duty to support that system until the war is over. I think it the duty of every man in this House, to labor with industrious zeal to inspire the public with confidence, and so enable the Government to negotiate its loans and meet with promptitude all its obligations.

Mr. Speaker, my main object to-day is to dissent from the statements made in that debate as to the facts in respect to the amount and condition of the public debt; to protest against the deductions drawn from them, even if they are as represented; but more particularly to show that there is nothing up to this date in the condition of the debt or the currency which justifies a depreciation of from thirty-three and a third to forty per cent. in the latter, as against gold and silver; or warrants the improvident and wicked speculations in merchandise and commodities now prevailing in the Atlantic cities to so fearful an extent.

For the purpose of doing what I can, to disabuse the public mind on these most important points, I propose, in the first place, to call the attention of this House to the late report of the Secretary of the Treasury. On page 17 of the report to this Congress we find the following:

“The limit prescribed by law to the issue of United States notes has been reached, and the Secretary thinks it clearly inexpedient to increase the amount. When circulation exceeds the legitimate requirements for real payments and exchanges, no addition to its volume will increase its value. On the contrary, such addition tends inevitably to depreciation; and depreciation, if addition be continued, will find its only practical limit in the utter worthlessness of the augmented mass.

“When Congress authorized the creation of debt, to a certain extent, in the form of United States notes, and impressed on these notes the qualities of a circulating medium, its action was justified by the disappearance of coin in consequence of the suspension of specie payments; by the necessity of providing a medium in which taxes could be collected, loans received, and payments made; and by the obvious expediency of providing that medium in the form of national issues instead of resorting to the paper of banks. Under the circumstances its action was wise and necessary; but it was equally wise and necessary to limit the extent of the issues by the necessity which demanded them. They were wanted to fill the vacuum caused by the disappearance of coin and to supply the additional demands created by the increased number and variety of money payments. Congress believed that \$400,000,000 would suffice for these purposes, and therefore limited issues to that sum.

“The Secretary proposes no change of this limitation, and places no reliance, therefore, on any increase of resources from increase of circulation. Additional loans in this mode would,

indeed, almost certainly prove illusory; for diminished value could hardly fail to neutralize increased amount.

"Sufficient circulation having been already provided, the Government must now borrow like any other employer of capital temporarily requiring more than income will supply, and rely for the credit which will secure advantageous loans upon good faith, industrial activity, accumulated though not immediately available capital, and satisfactory provision for punctual payment of accruing interest and ultimate reimbursement of principal."

These declarations of the Secretary are conclusive as to his opinions and designs. His opinions are, that sufficient circulation has been provided; that it cannot be increased except at the hazard of swift destruction to the whole system; that no change in the limitation or increase of the circulating medium, which is \$400,000,000, ought to be considered for a moment. Here is an official declaration that \$400,000,000 of currency have been supplied and are the outside limit to which the Secretary will consent, although the law allows an issue of \$450,000,000. Ought not the country to be satisfied with this, the assurance of the Secretary of the Treasury under his official signature? Where are we to get the facts if not from this high officer, acting under the responsibilities of his official oath? These plans of the Secretary command themselves to my judgment as the correct steps toward a healthy and sound state of things. They are all that any Democrat, considering the condition of the country and the existence of a fearful civil war, should expect or demand. The Secretary has a right to the support of this House in his efforts to approach a more solid system of finance. So long as he seeks to carry out these principles I shall support them to the best of my ability, because by this course I support the best interests of commerce and of all classes and conditions of men. I support the means whereby the Government hopes to check expansion, reduce exaggerated prices, restrict speculation, restore confidence and diminish the public expenses. Sir, holding these views, nothing could justify me in withholding my aid from the accomplishment of this great and most laudable effort to reduce the issue of paper money and to check the inflation now rushing like a whirlwind over the country, and

that, too, mainly through ignorance of our real resources, and of the exact character of the public debt.

On page 8 of the Secretary's report we find the estimated condition of the public finances up to the 1st of July, 1864, and the estimated total debt up to the 1st of July, 1865. On the 1st of July, 1864, the public debt will be \$1,686,956,641, of which \$400,000,000 is currency. On the 1st of July, 1865, it will be \$2,231,935,190, of which \$400,000,000 is still to be currency. It follows, then, that the funded or merchantable debt will, on the 1st day of July, 1866, be \$1,286,956,641, and on 1st of July, 1865, \$1,831,935,190, without the \$400,000,000 of currency. It will be remarked that I class all but the \$400,000,-000 legal tender as funded debt; that I assume that the extreme limit of this kind of money has been reached; and that it will never be exceeded; and here permit me to repeat, that I base this emphatic declaration on the language of the Secretary's report, which admits of no other interpretation.

I now propose to make this clear to the House and to the country. The \$400,000,000 legal tender, recently issued, drawing five per cent. interest, redeemable in one or two years, and now being paid out by the Secretary, is, like the rest of the funded debt, a merchantable article, partaking of the character of the English exchequer bill. It varies in price according to the value of money. It increases in value daily by the augmentation of interest. It may float as currency for a few days after it is issued, but presently it is absorbed; it disappears from the market. At its maturity it must be paid. It differs from the currency in being made payable at a given date, and drawing interest up to a given time. The debt certificates which are paid out by the Secretary are also merchantable. They are bought and sold for money. They occupy the same relation to the capital that any promissory note occupies. They are made payable at specific times, and draw interest at six per cent. *They are not currency.*

The long loan of the Government is like any other funded debt; and so, Mr. Speaker, out of \$1,600,000,000 of debt created thus far, but \$400,000,000 is currency.

The national bank currency act for the creation of \$300,000,000 circulation of uniform value throughout the United States I un-

derstand as being designed to supersede the existing local State bank currency of the country; that it is simply the substitution of one plan for another—a plan which is regarded by the Secretary as the most suitable in time of war, calculated to strengthen the national credit, provide a means for the sale of Government debt in considerable quantities, and prepare the way for a resumption of specie payments as well as the gradual displacement of the legal tenders. It does not look to an increase of the currency. The new system comes into existence as the old system expires. There is no occasion, therefore, for alarm from this source. Congress may be called upon to modify the law of the last session on this subject, that the machine may work with perfect smoothness, but I think it will be demonstrated that, as the currency of the State banks shall cease to exist, the banks themselves, by enabling laws, or by other processes, can readily pass under the new system. It therefore follows that no new device for the creation of more paper money is to be found in this bill. Nor am I prepared to say, in view of the fact of the introduction of the legal-tender currency during the war as an absolute necessity, and of its necessary existence to a greater or lesser degree for a time after the termination of the war, that the national bank currency act will not prove to be a wise and beneficent measure, calculated, as suggested by the Secretary, to insure an early return to specie payments, without the disorders and convulsions that have heretofore followed directly in the wake of great financial changes, and especially such a change as the substitution of specie payments for those of paper. A careful examination of this great question is certainly demanded by the best interests of the people, and I propose to give it the best attention of which I am capable before deciding upon my future course in the matter. I shall, however, examine it solely on its merits in connection with the probable wants of the country growing out of the war, and broadly as a question of finance, in which every human being in the nation is directly interested.

Mr. Speaker, the people buy the funded debt of the United States for income. They buy it with a full knowledge of all the circumstances under which it is created. They buy it on the credit of the nation, on its resources, on the present and prospective magnitude of its population and its productive power.

They buy on the past history of the country, on its rapid growth, on its unsurpassed prospects for the future. They believe in the perpetuation of our institutions and in the preservation of our national unity. They believe in but one Government over our vast domain. They believe in the value of one million square miles of public lands west of the Missouri ; in the thousands of millions of mineral wealth folded in its vast embrace. They believe in the construction of the Pacific railroad ; in an exodus of millions of men to the Rocky mountains, prepared with their machinery to grind them to powder, and extract from their prolific sides huge volumes of treasure. They believe in the iron, the coal, the copper, the lead, the silver, the cinnabar, and all the valuable minerals, both metallic and alkaline, which they know to exist in unlimited quantities within that vast region of seven hundred millions of acres ; but if they are willing and eager to buy the funded debt of the nation on this security, how can we explain the sale of \$400,000,000 currency, based in reality on the same security, at thirty-three and a third to forty per cent. discount ? "There is more in this, if our philosophy could but find it out."

Let us, however, examine some of the reasons why this confidence should exist. I find, Mr. Speaker, in the very remarkable and highly valuable report of Hon. Samuel B. Ruggles, made, in September of last year, to the International Statistical Congress at Berlin, on the resources of the United States—a paper that should be circulated all over the country—the following valuable statistics on the subject of the increase of the population of the United States when compared with other countries. The population of France increased thirty-seven per cent. in sixty years, from 1801 to 1861 ; of Prussia, seventy-nine per cent. in forty-five years, from 1816 to 1861 ; of England and Wales one hundred and twenty-one per cent. in sixty years ; against an increase in the United States of five hundred and ninety-three per cent. in the same length of time.

The increase of the national wealth within the last ten years is thus presented in the same report : assessed value of property actually taxed in 1850, leaving out the assessed value of slaves, \$6,174,780,000, and in 1860 \$14,223,618,068 ; leaving an increase in the decade of \$8,048,825,840. Mr. Ruggles thus

distributes this vast increase of the national wealth: to New England \$735,754,244; to the Middle Atlantic or carrying and commercial States, from New York to Maryland, inclusive, \$1,834,911,579; and to the food-producing interior itself, embracing the eight great States of Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, and Missouri, \$2,810,000,000.

Now, sir, at this rate of increase, in 1870, six years hence, we should have \$35,000,000,000 of national wealth, and in 1880, in only sixteen years, \$80,000,000,000.

[In view, however, of the unusual and exceptional expenditure of the existing decade, embracing a period of war, and of the consequent waste of labor and property it might be safer to limit the actual increase of assessed property to the rate of increase of our population, now reduced by experience very nearly to certainty. That rate, as established by Mr. Ruggles' report, has varied very little from 33½ per cent. for each succeeding decade since 1790. Reducing the increase of property to that rate (and excluding slaves, valued, as property, in 1860 at \$1,988,000,000), the residue being \$14,300,000,000 in 1860, would become, \$19,066,000,000 in 1870; and in 1880 (one year before our funded debt begins to be payable), \$25,421,000,000.

The completion, however, within the present decade, of railways and other roads affording adequate and speedy access to our gold-bearing regions, must add largely and rapidly to the increase of assessed property.]

Sir, the legal-tender currency of \$400,000,000, if divided equally among these States, to be paid by them out of the actual increase of wealth of the last decade, would have been extinguished in the first six months of the year 1860, and the balance remaining on hand of increase for the ten years preceding, would have been the enormous sum of \$7,748,000,000.

These figures are presented, Mr. Speaker, in order to show how utterly unimportant is this amount of currency, when regarded or examined in connection with the nation's ability to pay it. And yet we are told that the country is on the verge of hopeless ruin. No, sir. Let the Secretary only adhere to the principles and to the language of his report. In the words of the poet, the nation

"Is far as the farthest from rain;  
The fields seem to know what their master is doing;  
And pasture and orchard and cornfield and lea  
All catch the infection, as generous as he."

In this connection, or in connection with that vast section of

the security offered by the nation, and the great and growing power of the Republic, and thus to facilitate the Secretary in the most effective manner in all his future negotiations.

The States of Indiana and Illinois are worthy of especial mention as affording evidence of the wonderful recuperation of our people from heavy embarrassments. It is within the recollection of many members of this House, if not all of them, how the financial disasters that broke over those young States of the West, affected the financial sensibilities of both hemispheres. Europe was largely interested in these obligations, and very large amounts of them were held in this country. These States were covered with ignominy and reproach, and they were compelled to endure the base charges of repudiation and bankruptcy. Sir, they were never for one moment bankrupt, nor did they even for one moment falter in the resolution to repair the disasters of that fearful period by an early liquidation of all their indebtedness. Sir, the example of these States to their brethren of this country will live in all coming time, and it stands out, and will ever stand out, as the most incontrovertible testimony that the nation of which they form so vital and commanding, and so patriotic a portion, will pay every dollar, both principal and interest, be it funded debt or legal tender—every dollar expended to perpetuate the structure of this Government in all its splendid proportions, in all its majestic outlines.

The other historical instance was furnished by our railroad crisis. Railroad stocks and bonds descended in public estimation from a high premium almost to zero. Thirty-three thousand miles had been built, costing \$1,300,000,000, or an amount equal to the present national debt; built by the enterprise of our people, and exceeding in lineal extent, all the railways of Europe. Sir, when the hour came, and these securities were unsaleable; when these corporations did not pay their interest, and when men who held them seemed in despair, what did the crisis destroy? It did not destroy the railways; it did not diminish traffic; it did not stay the strong arm of the agriculturist; it did not retard the growth of our population. No, sir; the system was "bound" to live; it belonged to this, the nineteenth century; it was conceived in great foresight and wisdom, and it survived through new economies and the introduction of wiser and more prudent counsels in its management.

Who suffered by this remarkable crisis? Not the owners of the property, for they saved their money in the revival of the prices of both bonds and stock; not the country, for it remained, and yet remains, teeming with prosperity, productiveness and power, stimulated and strengthened by this gigantic system of international communication.

Now, sir, where is the difference between the funded debt of a great community and the funded debt of a smaller community, or the debt and obligations of incorporated companies? Show me the difference in the character of the calamity that would befall the Government if we should fail to pay interest for a single year, and the calamity that befell the States of Indiana and Illinois under the like circumstances, to which I have referred.

Mr. Speaker, I might sum up all I have to say in the simple statement, that the only thing which the country has to fear is the continued depreciation of the \$400,000,000 of legal tender, which the people sell at thirty-three to forty per cent. discount, under the influence of the marvelous fears generated and encouraged by those who are utterly ignorant of the power and resources of the nation. To my understanding all our trouble lies with the legal tender. It is a matter of no consequence to the people of the country as a nation, as to what the funded debt may sell at in the mutations of the future. The Government has only to look after the interest upon the debt and the principal at its maturity. With the currency, which every man is bound by law to receive for his property, it is another affair. There is no time fixed for its final extinguishment, and our enemies seek to discredit and destroy it both at home and abroad. People who take it hasten to invest it in real property, while speculation lives and flourishes by holding it up to public odium and contempt. The more speculation can discredit it, the more speculation thrives.

Speculation is sleepless in its efforts to discredit it; and yet, sir, there is a way to remedy the difficulty. It is by familiarizing the people with the power, resources and wealth of the nation; and this, in my judgment, is the duty of every Representative in this House, and of every intelligent and reflecting citizen out of it. If this \$400,000,000 of currency were se-

cured to be paid to-morrow, if the nation could see it begin to expire by the establishment of a sinking fund of ten per cent. per annum, which would destroy it all in ten years, or if, by legislation, the Secretary was directed to burn \$100,000 of it per day, until the whole \$400,000,000 were destroyed, do you imagine that you would hear anything more of a rise in gold ? Sir, it would be the death of the speculators on the sea-board, and the nation would rise from its fears and apprehensions full of fresh power and energy. So small an effort as this, in my opinion, would reduce the expenses of this Government thirty-three and one third per cent. per annum. If, sir, I am right in this conclusion, why should the people be inflamed or terrified by these dark predictions of impending bankruptcy and ruin ? And why are we not bound to present, in contradiction to statements such as I have referred to, facts that lead the mind to an entirely different judgment ?

Mr. Speaker, it is my deep conviction, and I would repeat, with all the emphasis I am capable of expressing, that in advocating every legitimate measure for strengthening our financial system ; by encouraging the Secretary of the Treasury to persevere in carrying out the ideas so distinctly presented in his annual report ; by pointing out, to the extent of my humble ability, the way to roll back the current that has set in such fearful force against the public credit ; by exhibiting in even so feeble a manner, the vast resources of our country, and showing that an issue of \$400,000,000 of currency, is after all only a substitute for the gold and bank circulation it has displaced, I best fulfil my duty as a Representative in this trying period. I feel that the people, who are to be engulfed in case of a calamity so fearful as national bankruptcy, will surely sustain me in my efforts, and will sustain all who take a similar course in the midst of the emergencies of this eventful contest.

In the course of the debate, Mr. Speaker, the distinguished gentleman from Massachusetts who advocated the proposition to empower the Secretary of the Treasury to anticipate the interest on the public debt, and so dispose of the surplus gold in the Treasury, and avoid its accumulation hereafter by the same means, declared that, disguise or conceal it as we might, the currency had depreciated to the extent indicated by the price of gold.

Sir, the quotation daily made for gold in the New York market, is certainly an indication for the day, of the positive depreciation of the currency. Any one who owns gold can certainly sell it at the New York quotation for paper. No one can deny the truth of this proposition ; but I submit to that gentleman, and to those who concur with him in opinion, whether there are not many good grounds for the belief that there are causes operating to produce this depreciation unknown before in the history of paper money, and whether some of them may not be regarded as wholly artificial, and capable of being easily exposed and dispelled. Sir, I think there are artificial means constantly being used to influence the price of gold. These means have been employed since the suspension of specie payments. They have increased from month to month for the past year, just in proportion to the growth of speculation, which to-day exceeds in volume anything ever known before in the history of our country. It has become necessary, for the safety of this monstrous structure of illegitimate traffic, that the price of gold should continue to rise in respect to the currency ; and, sir, it will not be permitted to decline, if human ingenuity and human effort can prevent it. Such a state of things must give birth to every species of device, and to every kind of artificial process. They will come in the form of misrepresentations of the military situation of the country, and exaggerated statements of any defeats in the field ; they will appear in the shape of extensive combinations for the temporary purchase of the floating gold in the market, in the false statements as to the character and condition of the public debt, and in the objects and designs of the Government ; and all this rendered more easily available by the ignorance that is permitted to prevail as to the resources and power of the nation.

To illustrate my views more fully as to "causes hitherto unknown" now operating to the prejudice of the currency, I would ask the House to regard New York city, the great commercial and financial center, connected by the electric wires with every city and every town of any importance in every State not in rebellion, away to the far-off Pacific. The opinions of representative men are solemnly uttered in this House that national bankruptcy and repudiation are surging at our feet to engulf us

in their formidable waves. The lightning that carries this fearful verdict to the people of the country, flashes the tidings to the city of New York almost instantly from innumerable points in the shape of positive orders to buy gold, to buy merchandise, to buy commodities. Thousands of orders reach that great mart in an hour, and through all hours of the day, and hence a traffic, boundless in extent, and all in one direction, all to purchase property at the market prices, without limit, is carried on in that city by a frightened and frenzied population. Has the currency really depreciated because of these transactions? Is national bankruptcy really here because of such declarations? I cannot so regard it. The truth is, that this modern instrument, electricity, is playing a new and most important part in the affairs of men, and for the first time in the greatest drama in the history of civilization. It so concentrates and so intensifies the incidents of human life, so entirely controls and governs them, that those who measure the present by the past, utterly fail of arriving at proper or just conclusions. Sir, I look for the moment when the people of the United States, moved by different impulses, influenced by calmer counsels, led by wiser judgments, and enlightened by the spirit of truth, will see with a clearer vision the actual condition of their country, and be overwhelmed with shame and mortification at their own weakness and folly.

Suppose, Mr. Speaker, the existence of some vast building or theatre, crowded with thousands of human beings, all intent upon the enjoyment of some great dramatic spectacle; and suppose that, in the midst of their engrossment in the play, in obedience to a concerted signal, a few voices should raise the appalling cry of fire, and rush through the narrow outlets toward the street. Need we foretell the fearful disasters that would follow the efforts of that frenzied multitude, in their attempts to escape through the contracted and crowded corridors? Sir, hundreds might be crushed to death, while thousands were being robbed by those who had precipitated the calamity. But must we assume that the building is really on fire merely because of the infuriated cry of fire? I think not, sir; and yet such is the actual condition of the people of this country on the great question of the national currency. Hundreds have been crying fire for the past three years, while multitudes have been en-

deavoring to escape the fearful calamity which is said to threaten the paper system. It is to be entirely demolished, say our enemies; and while the cry continues, and every imaginable auxiliary is being used to magnetize the nation into such a belief, and while the people are rushing out of the building in mad disorder, a system of pillage is going forward that defies description, and human ingenuity is taxed to its utmost capacity to keep up the alarm, that the spoils of the enterprise may augment, and the opportunities for plunder survive a little longer.

Mr. Speaker, I regard the present depreciation of the currency of the United States from thirty-three to forty per cent. discount for gold, as a monstrous crime or a fearful delusion; I regard every man as guilty of heinous crime who does anything to promote that depreciation. While the few are benefiting by it, while the capitalists are rejoicing over their advantages, the masses of our countrymen are suffering fearfully, and must continue to suffer still more, unless we awake to the magnitude of the crisis, and use the mighty, national facts with which God has providentially furnished us, to counteract the evil and restore public confidence in all classes of our securities.

Sir, it may be urged that the most gifted intellects and the most profound wisdom have been exerted on the side of truth for the benefit of the nation, and that no good reason can be assigned for the declaration that the truth has been obscured, and that only the false has been extensively circulated through the modern machinery of the telegraph. To that I must answer, that during the whole of this war, certainly during the existence of the Thirty-eighth Congress, it is quite certain that the talent of the House has not been actively exerted in exhibiting the giant resources and the vast causes which are silently but so powerfully operating in upholding the great and lasting interests of the people, during the present tremendous conflict. The war itself, the measures for its prosecution and final settlement, have engrossed our entire attention, while for want of practical legislation, the solid industry of the country is being subordinated to wild speculation, and the currency rotting away daily, to the almost irreparable damage of the national interests.

But, sir, I look hopefully into the future. I cannot but believe that there is a great change approaching. The Secretary

of the Treasury has indicated the policy which he designs hereafter to pursue. He asks no more legal-tender money from this Congress. He marks out for himself a well-defined line in the direction of a sound and stable state of things, which he is resolutely determined to occupy. A man reads with no understanding, who does not perceive such a resolution in his report to Congress. Sir, this wholesome policy must have the effect to check the speculative madness of the present hour ; it will have the effect to re-establish public confidence in the power of the nation, and in the soundness of its obligations ; it will restore to sanity those who are mad, and bring about a reaction of public sentiment in favor of the currency which so many have been discrediting, and which, for a time, is so indispensable to the safety and the life of the nation.

When this moment arrives, as arrive it assuredly will, we shall again realize the influence of electricity. The current of disorder will as suddenly subside ; it will be rolled backward to its source with an impetuosity of terrible strength. The wires will again be in requisition, and flash from all parts of the United States to the great center of traffic, but conveying tidings very different from what they have so long been used to carry. Sir, on that day I commend New York to the especial notice of this House. With the decline in gold, the present exaggerated values will shrink and dwindle from thirty-three and one-third to fifty per cent. in a single day, and the masses of our people again begin to find the proceeds of their labor equal to their necessities.

Sir, it is our solemn duty to use every effort to bring about such a state of things. The first step we are bound to take is, to relieve the Government from the mischievous position of being a hoarder of gold. It cannot afford to be an instrument in the hands of its enemies, a participator in the depreciation of its currency, a party to the speculations of the sea-board. It cannot be auxiliary to that without precipitating its own ruin.

The second step should be to allay the public fears as to the value and extent of the legal-tender issue. The amount is but \$400,000,000, not \$1,000,000,000. Instead of an unlimited issue hereafter, not one dollar more should be added ; but, on the contrary, the amount in circulation should be reduced, and a more

enlarged system of taxation established. Such, from the language of the Secretary's report, is to be the future policy of the Government.

The third should be, to exhibit and keep before the people the immense resources and power of the nation; to show the difference between its ability to meet the formidable emergencies of the present war, and the ability of other nations at other periods to meet the emergencies of their revolutionary and other contests; and to point out how far any parallel exists between the struggle on this continent and the past struggles of nations in the Old World. In respect to the comparisons so perseveringly and so strangely urged between the condition of the currency of the United States and that of the French assignats during the period of the Revolution, we need only state, that France issued \$9,000,000,000 of that kind of paper within about the same time that we have issued \$400,000,000, or less than five per cent. of that of France. Mr. Speaker, it is as absurd as it is unpatriotic, to draw any parallel between the cases, and certainly when we regard the question in connection with the resources of the two Powers. The rate of increase of the population of this country over that of France for the past seven decades, is enough of itself to settle the question.

In conclusion, Mr. Speaker, and above all, the people must be made to see the difference between currency and funded debt, a thing that seems to be so little understood; and the civilized world must be made to see the vast security afforded for the final extinguishment of our debt, and our abundant resources to meet the continued demands of the war, if necessary, for many years to come, and that in no conceivable event the national life will be lost, or the national credit tarnished even for a moment, by bankruptcy or repudiation.

I now move the previous question upon the pending amendment, and which I offer with the consent of the Committee of Ways and Means. I ask that the substitute be read.

The proposed substitute was read, as follows:

JOINT RESOLUTION to authorize the Secretary of the Treasury to sell any surplus gold.

*Be it resolved by the Senate and House of Representatives of the United States of America, in Congress assembled, That the Secretary of the Treasury be, and he is hereby, authorized, first, reserving in the Treasury an amount sufficient to meet the payments in gold required by law, to sell from time to time at public auction, after having given five days' notice in the daily papers of New York, any portion of the surplus of gold in the Treasury of the United States: Provided, That the Secretary of the Treasury may, instead of such sale, apply the gold in the Treasury to the redemption in advance of the interest coupons of the United States, which by law are required to be paid in gold, whenever the amount on hand shall be sufficient to discharge the entire amount maturing and on the same day.*

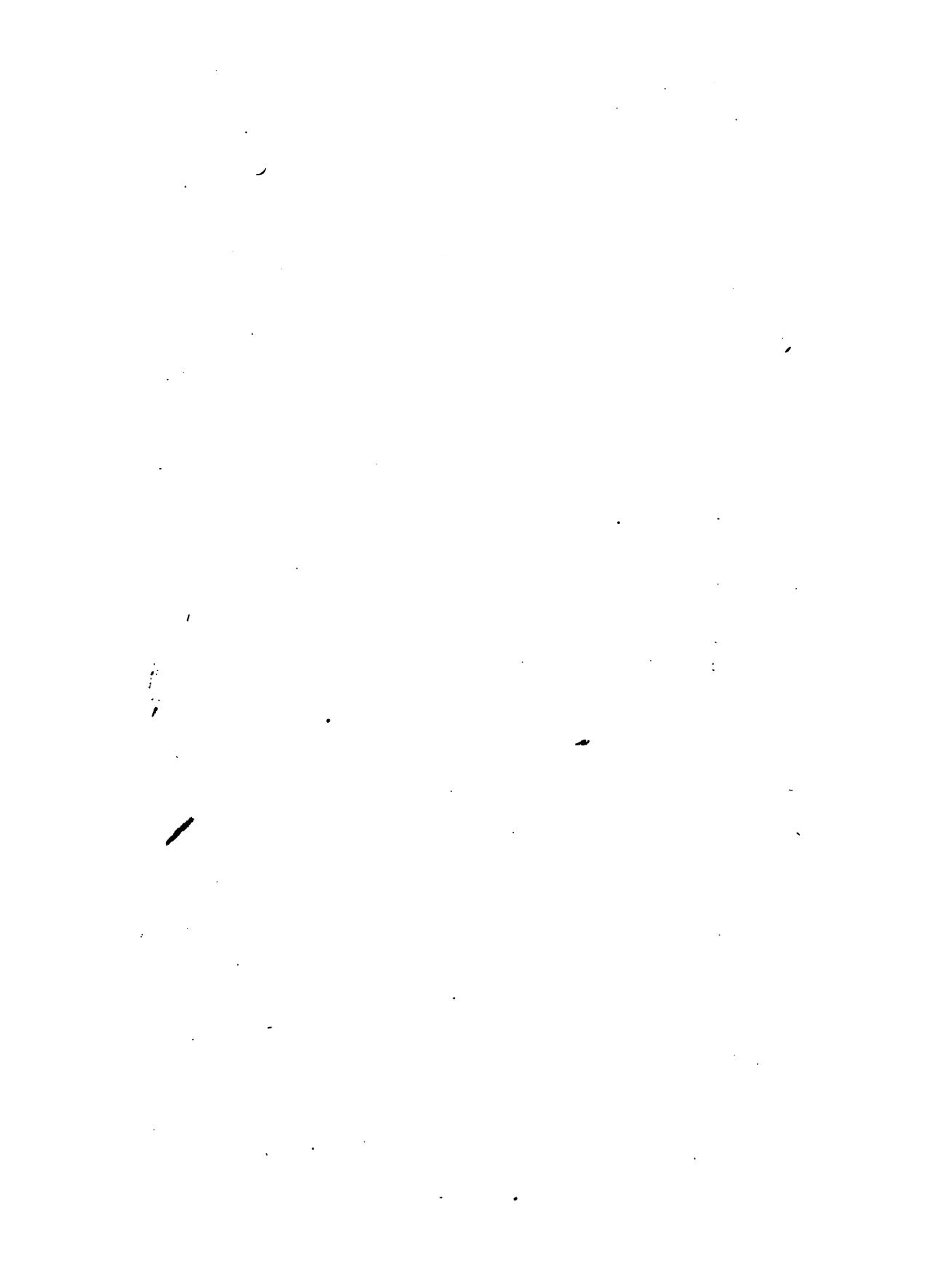
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*Note.—The measure above proposed, after much debate in both Houses of Congress, was finally passed in the following form, and approved by the President of the United States.*

JOINT RESOLUTION to authorize the Secretary of the Treasury to anticipate the payment of interest on the public debt, and for other purposes.

*Be it Resolved by the Senate and House of Representatives of the United States of America, in Congress assembled, That the Secretary of the Treasury be authorized to anticipate the payment of interest on the public debt by a period not exceeding one year, from time to time, either with or without a rebate of interest on the coupons, as to him may seem expedient; and he is hereby authorized to dispose of any gold in the Treasury of the United States not necessary for the payment of interest of the public debt; provided that the obligation to create the Sinking Fund, according to the act of February 25th, 1862, shall not be impaired thereby*

*Approved March 17th, 1864.*



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